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SSI and Medicaid Recipients Have a Responsibility to Report Changes That Can Affect Benefits

by
Carol S. Battaglia

Overview

Supplemental Security Income (SSI) and Medicaid are both "need based," federal programs which are intended to benefit individuals who are blind, disabled and/or elderly and have minimal financial resources. However, once a person meets all of the basic eligibility requirements, and receives and award of benefits, the disabled individual or their representative payee continues to have a duty to report changes in circumstances to the Social Security and Medicaid agencies. These changes may subsequently affect continued eligibility for benefits. This article will explain: 1) who is responsible for reporting; 2) what changes must be reported; 3) when to report; 4) how to report; 5) the content of the report; and 6) potential consequences of untimely reporting.

SSI REPORTING REQUIREMENTS

Who is Responsible for Reporting?

SSI recipients or their representative payees must report changes. In deeming cases* an SSI recipient (or the individual acting on behalf of the recipient) must also report changes involving the following individuals:

- Ineligible spouses;
- Parents;
- Essential persons
- Sponsors of aliens and the sponsor's living-with spouse;
- Ineligible children; and
- Eligible aliens.

* Deeming cases are those where SSI looks to the minor applicant's family income and resources to determine eligibility. The family's income and resources are "deemed" to be those owned by the minor.

What Changes Must be Reported

The following changes must be reported:

- Moves or changes of address
- Any additions or deletions from the household by means of birth, death or adoption;
- Marital status (including marriage, divorce, separation, and resumption of living together after a separation or divorce);
- Changes in income and resources for recipients;
- Changes in help with living expenses;
- Entering or leaving an institution;
- Leaving the United States for more than 30 days in a row;
- Changes in school attendance (if under age 22);
- Death of the recipient or individuals involved in deeming cases;
- For SSI disability recipients (adults and children), a medically determined drug addict or alcoholic (DDA) fails to comply with the terms, conditions and requirements of prescribed treatment.

In deeming cases, the above must be reported <u>as well as</u> the following:

- Changes in income of the individuals outlined in the previous section;
- Changes of resources as well as blind work expenses or impairment related work expenses of the individuals outlined in the previous section;
- Attainment of age 18 by an eligible or ineligible child;
- Attainment of age 22 by an eligible student child or age 21 by an ineligible student child;
- Change in student status of an eligible child under age 22 and an ineligible child under age 21.

<u>When to Report</u>

Eligibility with respect to resources is a determination made as of the first moment of each calendar month and applicable to the entire month. Subsequent changes have no effect until the following month's resources determination. A report is due within 10 calendar days after the month in which the change occurred. For example, if the change occurred on September 2nd, the report would be due no later than October 10th.

<u>How to Report</u>

Recipients and payees may report in writing, by telephone, or in person. They may use Form SSA-8150-EV (Reporting Events, SSI) to report in writing. A report by mail is timely when the postmark date is within the same 10-day period.

Helpful hint: Although not required, it is a good idea to phone, fax, <u>and</u> mail a report. When phoning, you should note the name of the person you are talking to, as well as the date and time. When faxing, print out a "send" receipt so that you have confirmation that the fax went through. When mailing, include a return receipt request.

<u>The Content of the Report</u>

Reports should include the reporter's name, the name and social security number of the person the report is about, facts about the change and when the change occurred.

<u>Potential Consequences of Untimely Reporting</u>

The Social Security Act (SSA) requires penalties when an SSI recipient fails to report changes on time that adversely affects SSI benefits unless they have good cause for reporting failure. Good cause for failing to report a change on time means that the failure was not willful or that the recipient is without fault in connection with an overpayment caused by the change. If a report is not filed in time, a number of consequences could occur. The recipient may not receive correct benefits when due or they may have to pay back an overpayment (applies to recipients and payees). Recipients could have a penalty deducted from their SSI (applies only to capable recipients and a medically determined drug addict or alcoholic (DAA)), as well as lose SSI if they do not report information that SSA asks for to determine continuing benefits. The SSA's intent is that the threat of penalties may help encourage recipients to comply with their reporting responsibilities, thereby reducing overpayments.

When does a penalty apply?

A penalty applies if all of the following conditions exist:

- The recipient fails to report a change on time that causes a reduction, suspension or termination of SSI benefits, and

- The change causes any excess Federal SSI payment (not State supplementary payments only), and

- The recipient accepts the excess payment and

- Good cause does not exist for the reporting failure.

A penalty may apply even when: the penalty deduction could be larger than the excess Federal payment; there is no overpayment determination; the excess payment does not result in overpayment; or the recipient is not currently receiving a Federal SSI payment.

Who may receive a penalty?

Only capable adult recipients may receive a penalty. These are usually adults who do not have representative payees, or have payees solely because they are a DAAs. Children, legal incompetents, and incapable adults who have or need payees, and payees may not receive a penalty.

Penalty Periods and Deductions

Listed below are the penalty periods and the required deductions:

- First Penalty Period - $25.00 Deduction
  This period begins with the effective filing date for SSI and ends with the date that SSA first discovers as change that the recipient failed to report timely which results in a penalty.

- Second Penalty Period - $50.00 Deduction
  The second period begins with the day after the first penalty period ends. It ends with the date that SSA discovers the second reporting failure, which results in a penalty.

- Subsequent Penalty Periods - $100.00 Deduction

Subsequent periods begin with the day after the last date that SSA discovered a reporting failure resulting in a penalty and ends with the date that SSA discovers the next reporting failure which results in a penalty.

How Penalties Work

An eligible individual may receive only one penalty deduction for a penalty period regardless of multiple changes, failures to report and excess payments in the period. A member of an eligible couple receives a full deduction for a penalty period. Separate penalty periods may exist for each member when a reporting failure results in an excess payment to both. However, the penalty period and the appropriate deduction may differ for each member. For example, a first period and a $25.00 deduction may apply for one member and a second period and a $50.00 deduction may apply for the other member.

MEDICAID REPORTING REQUIREMENTS

Medicaid reporting requirements are divided into two groups: recipients that reside in a state that has an agreement with the federal government pursuant to SSA section 1634 have one set of requirements; recipients residing in states that do not have such an agreement have another. They will be discussed below in reverse order.<u>States that do not have Section 1634 Agreements</u> Eleven states use at least one eligibility criterion more restrictive than the SSI program (209(b) States), and therefore SSI recipients are not automatically provided Medicaid coverage. If the recipient resides in one of these states (listed below), they need to contact the Medicaid program in their state to determine their reporting responsibilities. The 209(b) States are:

- Connecticut
- Hawaii

- Illinois
- Indiana
- Minnesota
- Missouri
- New Hampshire
- North Dakota
- Ohio
- Oklahoma
- Virginia

Six other states follow different guidelines. They are called the SSI Criteria States. These states use the SSI eligibility criteria for Medicaid but still make their own Medicaid determinations. Because the state is making the determination, a recipient residing in one of these states needs to research their state's Medicaid reporting requirements. The following states are SSI Criteria States:

- Alaska
- Idaho
- Kansas
- Nebraska
- Nevada
- Oregon
- Utah

States that have 1634 Agreements

When a state requests SSA to make Medicaid eligibility determinations for it, it completes a "1634 agreement" with SSA. The agreement specifies the State and SSA's responsibilities, and requires the State to provide Medicaid coverage to beneficiaries of federally-administered State supplementary payments. The District of Columbia and the 32 states not mentioned in the previous paragraph have 1634 agreements. Since SSA makes Medicaid eligibility decisions about persons receiving SSI benefits and/or federally-administered State supplementary payments (SSPs) for recipients residing in these states reporting the changes required by SSI forth is sufficient, and no additional reporting is needed. ConclusionSSA employees can explain the responsibilities of reporting changes to SSI recipients and payees at each interview, and the SSA also provides written explanations of reporting responsibilities. Medicaid recipients' reporting requirements are determined by state of residence. Ultimately it is the recipient's responsibility to know the reporting requirements or face a penalty.